

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:)
)
EASTERN LIVESTOCK CO., LLC,) Case No. 10-93904-BHL-11
)
Debtor.) Hon. Basil H. Lorch III

**TRUSTEE’S MOTION TO APPROVE COMPROMISE AND SETTLEMENT
WITH BILL CHASE**

Pursuant to Federal Rule of Bankruptcy Procedure 9019, James A. Knauer, as chapter 11 trustee (the “Trustee”) for the bankruptcy estate of Eastern Livestock Co., LLC (the “Debtor”), by counsel, respectfully moves (the “Settlement Motion”) the Court to approve a compromise and settlement of claims between the Trustee and Bill Chase a/k/a William Chase a/k/a Billy Donald Chase (“Chase”). In support of this Settlement Motion, the Trustee states as follows:

Introduction and Background

1. Certain petitioning creditors commenced the above-captioned chapter 11 case (the “Chapter 11 Case”) on December 6, 2010. The Court entered the *Order For Relief in An Involuntary Case and Order to Complete Filing* [Docket No. 110] on December 28, 2010.

2. On December 27, 2010, the Court entered the *Order Approving the Appointment of James A. Knauer as Chapter 11 Trustee* [Docket No. 102] approving the *United States Trustee’s Application for an Order Approving the Appointment of James A. Knauer as Chapter 11 Trustee* [Docket No. 98] pursuant to 11 U.S.C. § 1104.

3. The Trustee filed Adversary Proceeding No. 12-59160 (the “Adversary”) on December 27, 2012. The complaint in the Adversary was subsequently amended on July 16, 2013, and seeks to recover (i) \$11,627.06 on account of Debtor’s prepetition delivery of cattle to

Chase and evidenced by Debtor's invoice numbers 280472 and 314918, (ii) \$388,599.42 as voidable transfers, and (iii) \$73,816.65 under various state law causes of action.

The Settlement

4. The Trustee has negotiated a settlement of the Adversary on the terms set forth in the Settlement Agreement attached hereto as Exhibit A (the "Settlement Agreement"). Pursuant to the Settlement Agreement, Chase shall pay the Trustee \$14,982.00 (the "Settlement Amount") and waive all claims against and rights to receive any distributions from Debtor's estate.

5. Within five (5) business days following the Trustee's receipt of the Settlement Amount from Chase, the Trustee shall file a Stipulation of Dismissal in the Adversary, dismissing all claims against Chase with prejudice.

Basis for Relief

6. Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), this Court has authority to approve a compromise or settlement on motion made by the Trustee after notice and opportunity for a hearing.

7. Under Bankruptcy Rule 9019, a bankruptcy court should approve a proposed compromise if it is fair and equitable and in the best interests of the estate. See In re Doctors Hosp. of Hyde Park, Inc., 474 F.3d 421, 426 (7th Cir. 2007); Depoister v. Mary M. Holloway Found., 36 F.3d 582, 586 (7th Cir. 1994); Matter of Energy Co-op, Inc., 886 F.2d 921, 927 (7th Cir. 1989).

8. The Trustee believes that the compromise and settlement reflected in the proposed Settlement Agreement is fair and equitable and in the best interests of the estate. Chase disputes all of the Trustee's claims, including his receipt of the alleged voidable transfers.

Continued litigation with Chase, including depositions of necessary fact witnesses, would necessarily require significant additional expense with no guarantee of any recovery to the estate.

9. If no objections to this Settlement Motion are filed, the Trustee requests that the Court enter an order approving the Settlement Agreement. If any objections to this Settlement Motion are filed, the Trustee requests that this Settlement Motion and any timely filed objection be scheduled for hearing by the Court on the earliest date that is available and convenient to the Court.

WHEREFORE, the Trustee respectfully requests that the Court enter an order approving the Settlement Agreement and grant the Trustee all other just and proper relief.

Respectfully submitted,

FAEGRE BAKER DANIELS LLP

By: /s/ Dustin R. DeNeal

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CERTIFICATE OF SERVICE

I hereby certify that on November 4, 2014, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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